

M/001/0067  
Outgoing

Peter Brinton &lt;peterbrinton@utah.gov&gt;

**Hidden Treasure (M/001/0067) - reclamation surety amount and calculations**

1 message

**Peter Brinton** <peterbrinton@utah.gov>

Thu, May 29, 2014 at 11:00 AM

To: David McMullin &lt;DMcmullin@csmining.com&gt;

Cc: Paul Baker &lt;paulbaker@utah.gov&gt;, Bob Bayer &lt;bob@rjbayerpgeo.com&gt;, Ron Wunderlich &lt;rwunderlich@csmining.com&gt;, Leslie Buhler &lt;lbuhler@csmining.com&gt;, Penny Berry &lt;PENNYBERRY@utah.gov&gt;

Hi David,

We have reviewed the most recent reclamation cost calculations, and the proposed amount of \$9,001,000 will be adequate for reclamation surety to cover the revised NOI. Once we receive this reclamation surety, we will be able to issue final approval of the large mine revision. As you know, Penny Berry (bond coordinator) is who you will work with to provide the additional surety.

The current method used in your calculations has been in place for a number of few years now. So you are aware, another commonly used method of calculating reclamation earthwork cost estimates may result in a significantly lower estimate and required surety amount. This approach uses the Division's equipment production sheets (see the current calculation Excel file) and other cost information available from the Division, rather than RS Means numbers. The volume of moved earthwork needs to be known for each reclamation activity (such as grading volumes), as well as equipment hourly operation costs. If you chose to re-calculate the costs using equipment production sheets, you could either do it now or after revision approval. Let me know if you have questions.

Peter

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